

could buy into. But the practice of legislative bodies, particularly the Congress of the United States, increasing taxes \$1 is a license to spend more. It is a ratchet effect. I am very suspicious of those propositions. I think my colleagues see that raising taxes has not done anything to bring the budget deficit down.

I ask our colleagues, in these last few weeks of this Congress, to keep those historical facts in mind so we don't get hoodwinked into doing things that don't end up reducing the deficit. Even at a time when it sounds like it will reduce the deficit and makes sense, the common sense we ought to remind each other of is it doesn't work.

I yield the floor.

The PRESIDING OFFICER (Mr. MANCHIN). The Senator from New York.

Mr. SCHUMER. Mr. President, I rise to speak on the upcoming amendments and debate we will have on the tax issue. Let me say a few things. First, we are in a very tough economic situation. We have a large number of unemployed people, and even people who have been employed over the last decade, for the middle class, their incomes have not gone up. Their buying power has not gone up. This is the first decade that middle-class incomes have not increased.

Second, the economy, if we look at statistics from 2000 to 2010, even with the recession, has done pretty well. But almost all the income and all the wealth has agglomerated to the top 1 percent and top 10 percent. That means the people at the highest end did very well, while everybody else did not. I have nothing against them. In fact, I think they are great. They are part of the American dream. To say they have gotten most of the wealth, some of my colleagues bring up the false issue of class warfare. It is not class warfare. It is a fact we have to deal with, just like saying middle-class incomes have not gone up enough. That is not class warfare either. Those are just facts.

Then there is the third issue; that when we began the decade in 2001 there was a surplus of \$300 billion left by Bill Clinton. Now, of course, we have a huge deficit. We did when Barack Obama took office, and because of the stimulus it is greater. But the No. 1 reason was the tax cuts, mainly agglomerated to the wealthy, passed by President George Bush and a Senate and House led by Republicans.

Issue 4, when the tax rates were higher—Bill Clinton had raised them—we all know job growth in the 1990s far exceeded job growth in this decade.

So put all that together, and it makes a pretty strong point that the middle class needs relief, No. 1; that the country must overcome the deficit problems we face, No. 2; and No. 3, that the highest income people are doing great.

So what would be the proper solution to that when we have a tax bill coming before us? It is pretty logical. It is pretty obvious. We should actually

make sure the middle class keeps their taxes low. They are the ones whose incomes have suffered. They are the ones who spend it when they get a check because they don't have much money. They are the ones who need the relief both for themselves and in their personal and family situations and for the economy. But to give huge amounts of tax breaks to the very wealthy doesn't make any sense. Why? Because, first, they are doing great. God bless them; second, because they don't spend it. They are not going to go out to the supermarket or the department store Christmas shopping because they know they are getting a little bit of a tax break; they have plenty of money. And third, because even most of them would probably admit they did fine when the rate was a little higher on them. It is not going to affect their business and spending decisions very much, if at all.

The logical solution is to give the middle class the tax break and say to the upper income: Your money should go to deficit reduction. That is what we will vote on in the next few days on the floor. Some would prefer that the level be 250, that the tax cuts should go to all those below 250. I know my colleague from Iowa feels that way. He will speak after me. I have been willing to have the rates go up to 1 million. I think having a rate for the very highest income people, which we always used to have, restoring that makes a great deal of sense because that is where the wealth is agglomerating. It is no longer people in the top 10 percent who do the best. It is people in the top 1 percent who do the best, far and away. On that vote, we will see where people stand.

Our colleagues on the other side of the aisle like to make it seem as if a tax cut for someone making \$50,000 is the same as a tax cut for someone making \$5 million. They say: Tax cuts for everybody. Don't raise taxes on anybody. But it is not the truth. What we are here to do is actually pull away the veil. It seems the No. 1 motivation of too many of my colleagues on the other side of the aisle is to give a tax break to the wealthiest among us, which may make political sense. I don't know. It may for them. It sure doesn't make economic sense. It doesn't make fairness sense. It doesn't make sense from the point of view of getting the economy going.

I want the American public, over the next few days, as we debate taxes, to listen. Ask yourself: Do you think someone making \$10 million should get a huge tax break? Do you think Warren Buffett or Bill Gates should get a tax break that is more than the income of thousands and thousands and thousands of middle-class people? If you believe no, tell your Senator.

Do you believe the deficit is a serious problem and giving \$300 billion to \$400 billion to people who make over \$1 million instead of putting that money into the deficit makes sense? If you do not, call your Senator and tell him no. Do

you think it is at all fair to say that to extend unemployment benefits for hard-working people who are looking every day for jobs, that that has to be paid for but tax breaks to the wealthiest among us do not have to be? If you think that does not make any sense, tell your Senator, tell him or her no.

I know we have a very powerful media group on the hard right, and they are going to try to get on the radio and get on the television and convince the average middle-class person that Democrats want to take away their tax cut and Republicans want to give it to them. But nothing could be further from the truth. We have been the ones focused on the middle class, and they have been the ones focused on the wealthy.

We are not willing to hold middle-class tax cuts hostage until there is a tax cut for the wealthiest among us. It is time for some clarity. If all my colleagues on the other side of the aisle vote for a tax break for those whose annual income is above \$1 million, unpaid for, I do not want to hear about deficit reduction when it comes to programs for transportation or education or health or the military from them ever again.

They may believe lowering taxes on everybody is a good thing. That is an ideology I do not agree with at this point in time. But they cannot claim deficit reduction is a goal when they will increase the deficit by hundreds of billions of dollars without it being paid for to give tax breaks to the very few wealthy families here in America.

As for the argument that those tax breaks are important to create jobs, no economist believes that. We are talking about the personal income tax rate, not the corporate rate. We are talking about people who, when they had a higher rate, did very well. We are talking about job growth in the last decade among the slowest we have had in a very long time under those low tax rates, whether they were times of economic growth or economic decline. There is virtually no good argument to give huge tax breaks to the very wealthy at a time when our deficit is as large as it is. There is a very good argument to give those same tax breaks, on a percentage basis, of course, to the middle class.

So to the American people, please watch the floor tonight, tomorrow, over the next several days. Figure out who is on your side. Figure out who is being fiscally responsible. Figure out who wants to help the average middle-class person and at the same time get a hold on our deficit.

Again, I repeat, I respect and salute those who have made a lot of money on their own and are very wealthy. God bless them. They are part of the American dream. But the American dream does not say that at a time of need, at a time when deficits are severe, that because you have made all that money you should get a more huge tax break than everybody else.